GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4945
ANSWERED ON:25.08.2000
UNPAID MONEY AGAINST LIC POLICY
JAGDAMBI PRASAD YADAV

Will the Minister of FINANCE be pleased to state:

(a) the mode of payment of insurance money by the Life Insurance Corporation of India;

(b) the number of cases came to light in which payment was not made to the insured person in his life time or after his death during the last five years;

(c) the year-wise amount of unpaid money including interest thereon; and

(d) the manner in which the Government propose to utilise this amount ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): The Life Insurance Corporation of India (LIC) has informed that they make payment ofnsurance money through account payee cheque in the name of the life assured/ the nominee/claimant under the life insurance policy.

(b),(c)&(d): The LIC has informed that they make efforts to reach the policyholder throughletters and personal efforts. Inspite of this if no response is received from the policyholder or his whereabouts are not known, the amount is transferred to the `Written Back Account` so that as and when the policyholder approaches the LIC, the amount could be paid to thepolicyholder. Even after making these efforts still if the LIC is unable to reach thepolicyholder, the amount in the `Written Back Account` is credited to the Life Fund and the benefit is given to the other policyholders until the amount is claimed by the policy holder. Thus the amount due to policyholders will not get time barred simply because it is not claimed by them in time.

The information for the last five years is as follows:

(Rs. in Crore)

Year	No.of Claims written back to Life Fund	Amount of claims out of written back amount	Amount Paid to Life Fund	Net written back amount transferred
1995-1996	20240	19.50	07.49	12.01
1996-1997	23054	28.43	09.43	19.00
1997-1998	18373	31.58	12.09	19.49
1998-1999	16975	29.13	13.65	15.48
1999-2000	18593	31.31	12.32	18.99